Pocatello Development Authority



Board of Commissioners (During 2024)

David Villarreal, Jr (Chair)
Bannock County Commissioner Jeff Hough (Vice-Chair)
Pocatello Mayor Brian Blad
Jim Johnston
Councilwoman Linda Leeuwrik
Kirk Lepchenske
Fred Parrish
Nathan Richardson
Ruby Walsh

PDA/City Staff

Brent McLane
(Executive Director)

Thane Sparks
(Treasurer)

Aceline McCulla
(Secretary)

Merril Quayle
(Public Works Development Engineer)

Profile of the Pocatello Development Authority

The Pocatello Development Authority was created by the City of Pocatello in 1988 by Resolution 1988-13 in accordance with the Urban Renewal Law of 1965 and the Local Economic Development Act. The Authority is an independent public body, corporate, political and a discrete component of the City of Pocatello.

The purpose of the Pocatello Development Authority is to promote urban renewal projects in areas designated by the City of Pocatello to be deteriorating and to implement the rehabilitation, conservation, redevelopment, or a combination thereof, of such area or areas, in the interest of the public health, safety, morals, or welfare of the residents of the City of Pocatello. The Authority is to afford maximum opportunity, consistent with the needs of the City of Pocatello as a whole, to rehabilitate or redevelop urban renewal areas by private enterprise.

The Board of Commissioners of the Pocatello Development Authority consists of nine members. Membership includes the President of the Pocatello City Council; a member of the Board of Bannock County Commissioners (or designee); the Mayor of the City of Pocatello; one member with financial expertise such as accounting, banking or lending-institution experience; one member from the education community; and four other members from the citizenry at large. Each commissioner serves a four (4) year term and may serve up to two (2) consecutive terms or eight (8) years. Terms are staggered in such a fashion that no more than two Board members expire in any given year.

At the regular meeting in October, the Board elects the Chairman, Vice-Chairman, Secretary, and Treasurer for a term of one year. The Board may also appoint other positions as may be determined necessary. The Chairman of the Board is the chief presiding officer of the Pocatello Development Authority. The Chairman executes all deeds, bonds, contracts and other legal documents authorized by the Board. Some of the Chairman's duties may be delegated by the Board to the Executive Director of the Authority.

HOW DOES THE PDA WORK?

The Pocatello Development Authority (PDA) works with the City of Pocatello, Bannock Development Corporation and the private sector to remedy blighted and/or deteriorating or deteriorated areas in accordance with Idaho State Law. The PDA administers the funding for this process using tax increment financing according to an urban renewal plan approved by the local legislative body.

The City of Pocatello (via the City Council) is responsible for determining which areas of the City qualify under urban renewal law to be categorized as deteriorated or deteriorating and considered as an urban renewal area (URA). These areas typically lack adequate infrastructure, which may include water, sewer, power, roads or access. These improvements are in most cases too costly for a developer (or the City) to fund up-front and in many cases includes property outside of the primary developer's control.

Once an urban renewal area is established, the City recruits businesses or works through other recruiting efforts such as Bannock Development Corporation to attract businesses to these areas. Businesses that are interested in moving are looking for a site that makes business sense and, in some instances, will consider moving if there is financial aid for infrastructure development or other construction costs such as demolition. This is where the PDA steps in, through the use of tax increment financing (TIF).

Tax increment financing is a mechanism that allows for funding of urban renewal projects according to an adopted urban renewal plan. When the City establishes a TIF district the value of the property in the district is frozen at its current valuation, creating the base value. The property taxes collected on this base value continue to be distributed to the various taxing entities providing services to that property, (e.g., cities, counties, and school districts), but the property taxes paid on the increased valuation goes to the Pocatello Development Authority (property values typically increase due to new development based on added value). The PDA can issue bonded debt, based upon expected valuation increases, or provide reimbursement to provide funding for infrastructure or site development necessary for the business to build in the district. Approximately two years after the business has moved in, property taxes begin to be collected on the increased valuation and allocated to the Authority to pay debt or reimburse costs. If planned projects are completed and all debt is paid prior to the maximum 20 year period the district may be closed "early" and the added valuation is returned to the various taxing districts.

EXECUTIVE SUMMARY

The mission of the Pocatello Redevelopment Agency (PDA) is to strengthen the tax base of the City of Pocatello and Bannock County through the encouragement of growth and development within the Portneuf Valley. To achieve this goal, four urban renewal districts are currently open. Through the financing of public improvements such as water, sewer, streets, and storm drainage facilities, the PDA has contributed the following to the tax base:

Urban Renewal District	Year Created	Year of Termination	Tax Increment Value, 2024
Naval Ordnance Plant District	2006	2030	$155,967
North Portneuf District	2007	2030	$96,025
Pocatello Regional Airport District	2010	2033	$80,182
Northgate District	2019	2039	$592,959

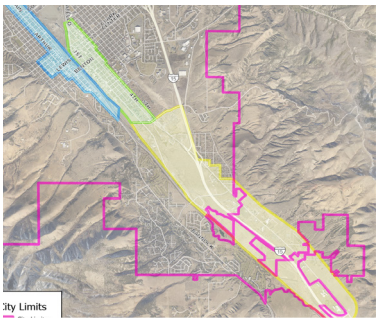
The land area of these four urban renewal districts is approximately 3,032 acres. Of the total district land area about 589 acres are located in Power County and the remaining 2,443 acres are located in Bannock County. The amount of land that is within a district located within the Pocatello city limits is approximately 1,128 acres, or 5.39% of the City's total land area. The Fiscal Year 2024 tax increment value of all districts was about $925,775. This was an increase in increment value of approximately $275,045 from last year.

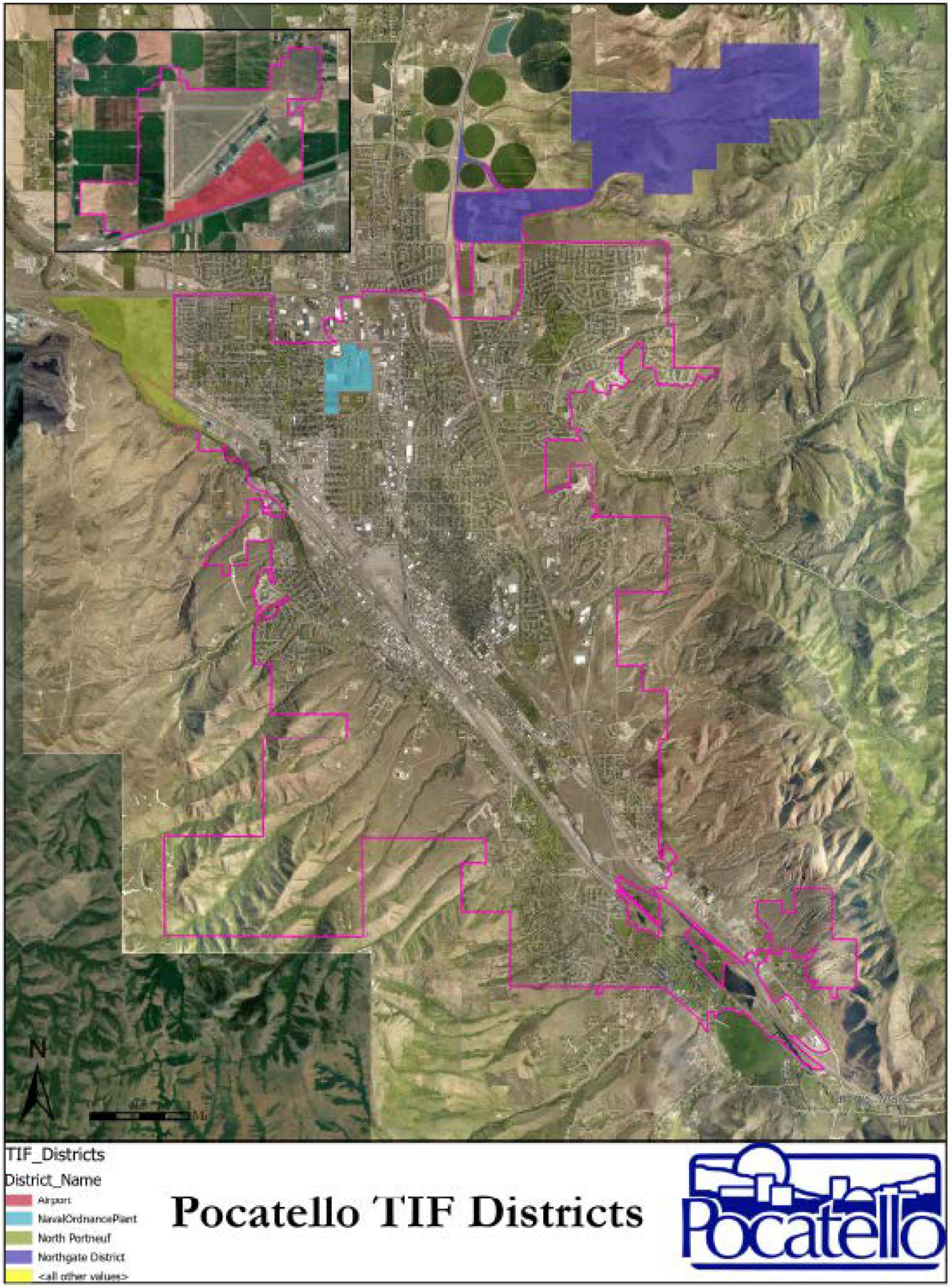
In the year 2024, the following progress was made in the PDA's Urban Renewal Districts:

- Pocatello Quinn LLC - IRG (Industrial Realty Group) completed their building improvements with TIF funds per the Owner Participation Agreement (OPA) on improvements including painting, siding repairs, and replacing windows. The PDA is continuing discussions about further upgrades to the facility.
- The Northgate District has seen continued activity in the development of the multi-family portion of the district. In 2023 the PDA began to see increment generated in the Northgate District, and in 2024 the increment value took a significant step. In 2024, the increment value increased from $331,327 to $592,959 an increase of 78.965%. The district has begun reimbursing contributing government entities.
- The PDA has engaged consultant services with SB Friedman to complete the feasibility study for a potential new district in the South 5th Corridor.








TIF_Districts
District_Name
Airport
NavalOrdnancePlant
North Portneuf
Northgate District
<all other values>
N
Pocatello TIF Districts
Pocatello

NAVAL ORDNANCE PLANT DISTRICT

Established:	**2006**
Expires:	**2030**
2024 Tax Increment:	**$155,967**
Fund Balance:	**$47,293**
Bonded Debt:	**None**
Non-Bonded Debt:	**None**

Some Companies Currently in the District:

IRG Realty Advisers LLC

SME Steel

Virginia Transformer VTCU Corp.

Mountainland Supply LLC

Western Industrial Motor and Machine

McNabb Manufacturing LLC

Novatech PC

Pocatello Storage and Logistics LLC

The Portneuf Valley Soccer Club



Titan Center

Improvements:

Most recently the improvements to the facades of the buildings in the Naval Ordnance Plant were completed per the Owner Participation Agreement (OPA). Pocatello Quinn LLC - IRG has invested great energy into rebranding the facility into the Titan Center and is looking forward to future potential opportunities to partner with the PDA. Additionally, IRG is actively pursuing new tenants and is looking to developing a new commercial center along Quinn Road on the northern end of the property. The Portneuf Valley Soccer Club is expected to open its new indoor soccer facility in March 2025.



2025 Aerial of Titan Center (NOP URA)

NORTH PORTNEUF DISTRICT

Established:	**2007**
Expires:	**2030**
2024 Tax Increment:	**$96,025**
Fund Balance:	**$1,595,609**
Bonded Debt:	**None**
Non-Bonded Debt:	**None**

Some Companies Currently in the District:

Portneuf Capital

Great Western Malt

Reddaway

Salmon River Diesel Shop

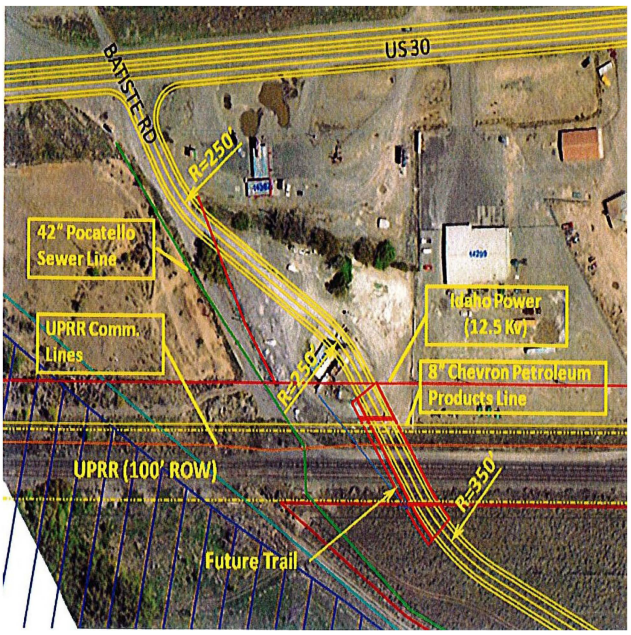
Idaho Materials



2025 Aerial of North Portneuf District

Improvements:

The PDA has engaged with Keller Engineering to create a preliminary design for a rail crossing and access road to connect River Park Way to US Highway 30. This connection would be vital to the growth of industry in the North Portneuf District, as it would provide a primary truck route that would reduce travel time and carbon foot print. Additionally, Portneuf Capital LLC has nearly completed the removal of the concrete structures of the remaining Hoku development. This cleanup is key to the redevelopment of this site.



Draft design of the potential rail crossing

POCATELLO REGIONAL AIRPORT DISTRICT

Established:	**2010**
Expires:	**2033**
2024 Tax Increment:	**$80,182**
Fund Balance:	**$46,012**
Bonded Debt:	**None**
Non-Bonded Debt:	**None**

Some Companies Currently in the District:

McNabb Trucking

Peterson Inc.

Driscoll Tophay LLC

KASE/Warbonnett Inc.

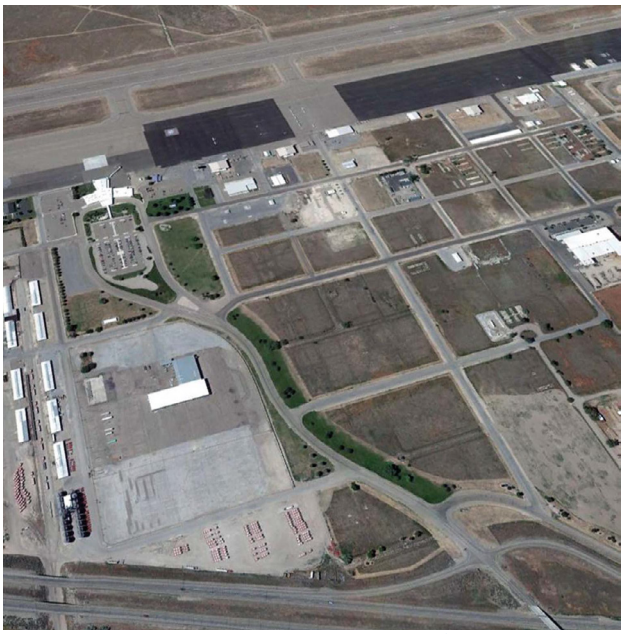
Larson & Associates Inc.



Peterson Inc.

Improvements:

Bannock Development Corporation has been working to develop a master plan encompassing some of the property around the airport aviation property. This plan incorporates property located within the Airport District, and will help to direct the future growth and development of this area. Additionally, the PDA is working with the City of Pocatello to finalize a right-of-way plat for a road network and future rezoning to provide clarity for future investors of what land is available for development.



Aerial photo of the Pocatello Regional Airport

NORTHGATE DISTRICT

Established:	**2019**
Expires:	**2039**
2024 Tax Increment:	**$592,959**
Fund Balance:	**$341,439**
Bonded Debt:	**None**
Non-Bonded Debt:	**None**

Some Projects Currently in the District:

Kartchner Homes Multi-Family Development

Northgate Villas Division 1.

Portneuf Health Trust North Campus

Beard, St. Clair, & Gaffney Attorneys

BBSI



Aerial photo of the Northgate District, 2025

Improvements:

The Crossings Division 1 and 2 are about 60 percent filled. There has also been progress in the development of Northgate District Division 2 with the extension of sewer and water infrastructure, as well as, District Lane and District Drive, which consists of 14 commercial lots are ready for development. The new Northgate Villas has twenty nine lots, an extension of Fairgrounds Road. In the district, the Beard, St. Clair, & Gaffney Attorneys and the BBSI office building was completed in 2024.



Beard, St. Clair, & Gaffney Attorneys and the BBSI office building

Pocatello Development Authority

A COMPONENT UNIT OF THE CITY OF POCATELLO, IDAHO

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED SEPTEMBER 30, 2024

POCATELLO DEVELOPMENT AUTHORITY
COMPREHENSIVE ANNUAL FINANCIAL REPORT
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POCATELLO DEVELOPMENT AUTHORITY
LIST OF OFFICIALS

David Villareal, Board Member, Chairman

Jeff Hough, Bannock County Commissioner, Vice Chairman

Brian Blad, Mayor of Pocatello, Board member

Linda Leeuwrik, Pocatello City Council President, Board member

Fred Parrish, Board member

Ruby Walsh, Board member

Kirk Lepchenske, Board Member

Jim Johnston, Board Member

Nathan Richardson, Board Member

Brent McLane, City of Pocatello, Executive Director

Aceline McCulla, City of Pocatello, Secretary

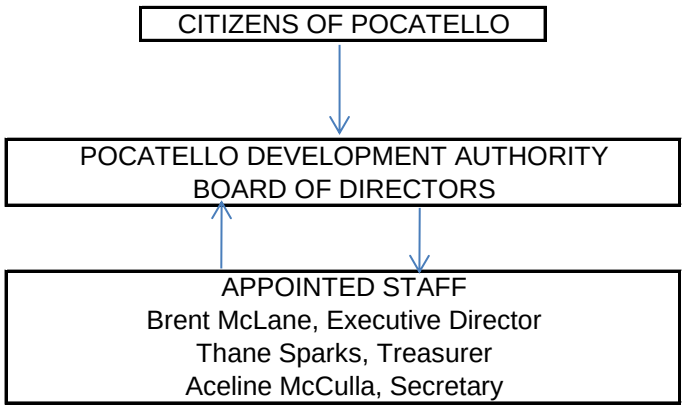
Thane Sparks, Treasurer

LIST OF EX-OFFICIO ADVISORS

Meghan Conrad-Sullivan, Legal Counsel

MiaCate Kennedy, Bannock Development Corporation, ex-officio member

POCATELLO DEVELOPMENT AUTHORITY
ORGANIZATION CHART



Advisory Staff:
Meghan Conrad-Sullivan, Attorney, Legal counsel

Deaton & Company, Chartered
Certified Public Accountants
215 North 9th, Suite A
Pocatello, ID 83201-5278
(208) 232-5825
Members of the Idaho Society of Certified Public Accountants
Members of the American Institute of Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners
Pocatello Development Authority
Pocatello, Idaho

Report on the Financial Statements

Opinion

We have audited the accompanying financial statements of the governmental activities and each major fund information of Pocatello Development Authority, (the Authority) a component unit of City of Pocatello as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund information of the Pocatello Development Authority, as of September 30, 2024, and the respective changes in financial position, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Pocatello Development Authority, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Pocatello Development Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and Government Auditing Standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and Government Auditing Standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information on pages 20-21 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Supplementary Information

We also have previously audited, in accordance with auditing standards generally accepted in the United States of America, the Authority's basic financial statements for the year ended September 30, 2023, and we expressed unmodified opinions on the respective financial statements of the major funds information. That audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements as a whole. The summarized comparative information is consistent, in all material respects, with the audited financial statements from which it has been derived.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements. The introductory section is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated January 10, 2025, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Trust's internal control over financial reporting and compliance.



Pocatello, Idaho
January 10, 2025

POCATELLO DEVELOPMENT AUTHORITY
STATEMENTS OF NET POSITION
SEPTEMBER 30, 2024
WITH COMPARATIVE TOTAL AT SEPTEMBER 30, 2023

	Governmental Activities	
	2024	2023
ASSETS		
Cash and cash equivalents	$ 3,273,483	$ 3,264,879
Prepaid expense	5,950	-
Property tax receivable	4,373	2,459
Notes receivable (less reserve for bad debts)	-	1,813
Total assets	3,283,806	3,269,151
LIABILITIES		
Accounts payable	$ 225,749	$ 29,367
Total liabilities	225,749	29,367
NET POSITION		
Unrestricted	3,058,057	3,239,784
Total net position	$ 3,058,057	$ 3,239,784

The accompanying notes are an integral part of these financial statements

POCATELLO DEVELOPMENT AUTHORITY
STATEMENTS OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2024
WITH COMPARATIVE TOTAL FOR THE ENDED SEPTEMBER 30, 2023

	Governmental Activities	
	2024	2023
EXPENSES		
General	$ 220,328	$ 170,870
Naval Ordinance Plant	166,066	1,092,452
North Portneuf	174,460	-
Airport	67,173	36,351
Northgate	635,612	1,727
	1,263,639	1,301,400
GENERAL REVENUES		
Property taxes	927,688	651,865
Interest	154,224	62,069
	1,081,912	713,934
NET CHANGE IN NET POSITION	(181,727)	(587,466)
BEGINNING NET POSITION	3,239,784	3,827,250
ENDING NET POSITION	$ 3,058,057	$ 3,239,784

The accompanying notes are an integral part of these financial statements

POCATELLO DEVELOPMENT AUTHORITY
BALANCE SHEETS
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2024
WITH COMPARATIVE TOTAL AT SEPTEMBER 30, 2023

	General Fund	Naval Ordinance Plant	North Portneuf	Airport	Northgate	2024	2023
ASSETS							
Cash and cash equivalents	$ 1,068,670	$ 47,293	$ 1,770,069	$ 46,012	$ 341,439	$ 3,273,483	$ 3,264,879
Prepaid expense	5,950	-	-	-	-	5,950	-
Property tax receivable	-	-	3,759	-	614	4,373	2,459
Notes receivable	-	-	-	-	-	-	1,813
	$ 1,074,620	$ 47,293	$ 1,773,828	$ 46,012	$ 342,053	$ 3,283,806	$ 3,269,151
LIABILITIES							
Accounts payable	$ 51,289	$ -	$ 174,460	$ -	$ -	$ 225,749	$ 29,367
DEFERRED INFLOWS OF RESOURCES							
Unavailable tax revenues	-	-	3,759	-	614	4,373	2,459
	51,289	-	178,219	-	614	230,122	31,826
FUND BALANCES							
Nonspendable	5,950	-	-	-	-	5,950	-
Committed	-	47,293	1,595,609	46,012	341,439	2,030,353	2,148,531
Assigned	-	-	-	-	-	-	-
Unassigned	1,017,381	-	-	-	-	1,017,381	1,088,794
	1,023,331	47,293	1,595,609	46,012	341,439	3,053,684	3,237,325
	$ 1,074,620	$ 47,293	$ 1,773,828	$ 46,012	$ 342,053		
Amounts reported for governmental activities in the statements of net position are different because:							
Certain receivables are not current resources and are reported as deferred revenues in the governmental funds.						4,373	2,459
Net Position of Governmental Activities						$ 3,058,057	$ 3,239,784

The accompanying notes are an integral part of these financial statements

POCATELLO DEVELOPMENT AUTHORITY
STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2024
WITH COMPARATIVE TOTAL FOR YEAR ENDED SEPTEMBER 30, 2023

	General Fund	Naval Ordnance Plant	North Portneuf	Airport	Northgate	2024	2023
REVENUES							
General and property taxes	$ 641	$ 155,967	$ 96,025	$ 80,182	$ 592,959	$ 925,774	$ 650,729
Interest	154,197	-	-	-	-	154,197	61,677
Interest from notes	27	-	-	-	-	27	392
	154,865	155,967	96,025	80,182	592,959	1,079,998	712,798
EXPENDITURES							
Administration	24,025	-	-	-	-	24,025	20,718
Projects and grants	-	166,066	174,460	-	635,612	976,138	1,176,030
Professional services	196,303	-	-	67,173	-	263,476	104,652
	220,328	166,066	174,460	67,173	635,612	1,263,639	1,301,400
EXCESS REVENUES OR (EXPENDITURES)	(65,463)	(10,099)	(78,435)	13,009	(42,653)	(183,641)	(588,602)
OTHER FINANCING SOURCES/(USES):							
Notes receivable collections	-	-	-	-	-	-	8,800
NET CHANGE IN FUND BALANCE	(65,463)	(10,099)	(78,435)	13,009	(42,653)	(183,641)	(579,802)
BEGINNING FUND BALANCE	1,088,794	57,392	1,674,044	33,003	384,092		
ENDING FUND BALANCE	$ 1,023,331	$ 47,293	$ 1,595,609	$ 46,012	$ 341,439		
Amounts reported for governmental activities in the statements of activities are different because:							
Governmental funds only report taxes received within sixty days as current fund revenues. All taxes receivable are treated as revenues in the statement of activities.						1,914	1,136
Principal payments on notes payable are current fund expenditures in governmental funds, but are presented as reductions of long-term debt in the statements of net position.						-	(8,800)
Change in net position of Governmental Activities						$ (181,727)	$ (587,466)

The accompanying notes are an integral part of these financial statements

NOTE 1 - Summary of Significant Accounting Policies

A. *Reporting entity*

The Idaho Urban Renewal Law of 1965 authorized the Mayor, with advice and consent of the City Council, to appoint a board of commissioners for an urban renewal agency to function within the municipality of Pocatello, provided that the Council has first passed a resolution finding that one or more blighted areas are in existence, and that there is a need for an urban renewal agency to function in the City.

Pocatello's urban renewal agency, Pocatello Development Authority (the Authority), was found necessary by resolution in 1988 and the board members were appointed thereafter. Unlike other advisory boards to the City Council, state law declares this agency to be "an independent public body corporate and politic" and gives it a wide range of authority to effectuate urban renewal.

Under generally accepted accounting principles, as adopted by the Governmental Accounting Standards Board, the Authority is included in the Annual Financial Statements of the City of Pocatello as a discretely presented component unit.

B. *Government-wide and fund financial statements*

The government-wide financial statements (i.e., the statement of net position and the statement of changes in net position) report information on all of the nonfiduciary activities of the government. For the most part, the effect of interfund activity has been removed from these statements.

C. *Measurement focus, basis of accounting, and financial statement presentation*

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting.* Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting.* Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the authority considers revenues to be available if they are collected within 60 days of the end of the current fiscal year.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the authority.

NOTE 1 - **Summary of Significant Accounting Policies (Continued)**

D. ***Assets, liabilities, and net position or equity***

1. *Deposits and investments*

Unrestricted cash balances from all funds are combined and invested in investments authorized under Idaho State Code. Earnings from these investments are credited to the funds based on the monthly balance of cash in each fund. Cash includes cash on hand, deposits and other investments which are immediately convertible to cash or have a maturity of less than 90 days.

the Authority is authorized under State Code to invest in obligations of the U.S. Treasury, U.S. Government backed institutions, commercial paper, and repurchase agreements. the Authority's policy is to restrict investment to highly liquid money market accounts.

2. *Receivables and payables*

Property taxes receivable are recorded when certified by the State Tax Commission in October of each year. Taxes not received within sixty days of year-end are deferred. The taxing authorities, within each tax increment financing district, levy property taxes by the third Monday of September on a market value basis. These taxes are billed to the taxpayers in November and are due December 20. Real property taxes not paid constitute a lien on the property when entered on the real property assessment roll as delinquent on the first day of January of the succeeding year. Property taxes are assessed and collected for the Authority by Bannock County.

3. *Inventory*

Inventory is reported at the lower of cost or fair market value. The Authority had no inventory.

4. *Restricted assets*

The assets of the special revenue funds are restricted as to usage by the State Code to payment of District expenses and debt service and an administrative fee to the General Fund of the Authority. Remaining net position representing property taxes collected are to be refunded to the taxing districts from which the taxes were collected.

It is the Authorities policy to first apply restricted resources when an expense is incurred for purposes in which both restricted and unrestricted net assets are available.

5. *Capital Assets*

The Authority has no capital assets.

6. *Compensated Absences*

The Authority has no liability for compensated absences.

7. *Long-term obligations*

The Authority had no long-term obligations.

8. *Fund Equity*

In the fund financial statements, governmental funds report restrictions of fund balance for amounts that are subject to externally enforceable legal restrictions. Commitments of fund balance represent amounts whose use is constrained by limitations that the Board has imposed upon itself.

NOTE 2 - **Reconciliation of Government-wide and Fund Financial Statements**

Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position.

The governmental fund balance sheet includes the reconciliation between *fund balance - total governmental funds* and *net position - governmental activities* as reported in the government-wide statement of net position.

One element of the reconciliation explains that "Certain receivables are not current resources and are reported as deferred revenues in the governmental funds".

Deferred property taxes	$	4,373

NOTE 3 - **Stewardship, Compliance and Accountability**

A. *Budgetary Information*

The budget is prepared on a modified accrual basis by fund, (each tax increment financing district is represented by it own fund), and includes information about the current year.

The Board of the Pocatello Development Authority holds a public meeting in conjunction with adoption of its annual budget. The new budget is submitted to the board at its meeting in August as part of the cash report presented by the Treasurer. When the cash report is approved by the board the budget is approved as well. Budgets may be amended by the same procedure used to adopt the budget. The Budget is published as required.

NOTE 4 - Detailed Notes on all Funds

A. Deposits and Investments

Cash and cash equivalents at yearend consist of the following:

Deposits	
Cash in bank	$ 3,261,839
Cash on books	$ 3,273,483

The Authority has no investments

Deposits - Custodial Credit Risk for deposits is the risk that, in the event of bank failure, the government's deposits may not be returned to it. At year-end, the Authority's carrying amount (reconciled balance reported in the financial statements) of deposits was $3,273,483 and the bank balance (balance per bank statements) was $3,261,839. Of the cash balance, $250,000 was covered by federal depository insurance. Some of the Authority's deposits including the State of Idaho, Local Government Investment Pool (LGIP), were not insured nor collateralized in the amount of $3,011,839.

Deposits and Investment transactions are subject to a variety of risks.

Interest Rate Risk is the risk that changes in interest rates will adversely affect the value of an investment. This risk does not exist since the Authority has no investments.

Credit Risk is the risk that an issuer or a counter party to an investment will not fulfill its obligations.

NOTE 4 - Detailed Notes on all Funds - (Continued)

B. Property Taxes and Abatements

Property tax revenues are recognized and accrued when billed by Bannock County. the Authority's property taxes, levied by the third Monday of September on a market value basis, are billed to the taxpayers in November. Half of the real, personal and mobile home property taxes are due on December 20 and the remainder is due the following June 20. Other property taxes are due December 20. Real property taxes not paid constitute a lien on the property when entered on the real property assessment roll as delinquent on the first day of January of the succeeding year. Property taxes are assessed and collected for the Authority by Bannock County.

The Authority had no tax abatements

C. Property Tax Receivable and Deferred Property Taxes

At yearend, property tax receivable and deferred tax revenues were as follows:

	Receivables	Deferred Tax
Northgate	$ 614	$ 614
North Portneuf District	3,759	3,759
	$ 4,373	$ 4,373

D. Grants

Pocatello Development Authority has provided grants to businesses wanting to locate in Pocatello, Idaho. These grants contain conditions requiring the grantee to perform specified conditions to receive the grant awards. The grantee is required to repay the grant if the conditions of the grant are not met.

E. Fund Equity

In the fund financial statements, governmental funds report the following fund balance classifications:

Nonspendable Assets

Nonspendable amounts that cannot be spent because they are not in spendable form or that are legally or contractually required to be maintained intact.

Restricted Assets

Restricted amounts are used for a particular purpose, primarily to satisfy regulatory or contractual requirements.

Committed Assets

The tax revenues of special revenue funds are committed by state law to pay for expenditures of Tax Increment Financing Districts. The Districts are established by ordinances passed by the City. The ordinance establishing the District define types of construction, bonded debt, administrative costs, and collected taxes to be refunded to the taxing districts from which they were derived.

Assigned Assets

Assigned amounts are intended to be used for certain purposes as determined by the board with a majority vote pursuant to accounting rules for fund balance reporting and the definition of Governmental Fund Type.

The Pocatello Development Authority's Board of Directors has not assigned any amounts for purposes of future projects.

NOTE 4 - Detailed Notes on all Funds - (Continued)

E. Fund Equity - Continued

Unassigned Assets

Unassigned residual balances in the General Fund that have not been restricted, committed or assigned.

Other governmental funds may report a negative unassigned fund balance should the total of nonspendable, restricted, and committed fund balances exceed the total net resources for the fund.

It is the Authority's policy to first use restricted resources and then unrestricted resources as needed. When restricted resources are available for use, it is the Authority's policy to use resources in the following order; first committed, then assigned, and finally unassigned. Fund balance commitments may be established, modified or rescinded by the board.

NOTE 5 - Other Information

A. Contingent Liabilities

The majority of the revenue collected by the Authority is derived from tax increment financing. Tax increment financing is a method of segregating a portion of the property taxes paid on properties within an urban renewal district to fund improvements for which the district was formed. This is accomplished by freezing the market value of property within the district.

A contingent liability exists when the market value increase in the district is not large enough to fund any debt incurred by the district to finance the improvements within the district.

B. Litigations, Torts, Theft or Damage, Errors and Omissions, and Natural Disasters

The Authority is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters. The Authority may be party to various pending or threatened litigations, however, liabilities are only reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated.

NOTE 6 - Subsequent Events

Subsequent events were evaluated up to January 10, 2025, the date the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

POCATELLO DEVELOPMENT AUTHORITY
STATEMENT OF REVENUES AND EXPENDITURES - BUDGET TO ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Original Budget Amounts	Actual Amounts	Variance
REVENUES			
GENERAL FUND			
General taxes	$ 14,400	$ 641	$ (13,759)
Administrative fees	75,100	-	(75,100)
Interest	21,960	154,197	132,237
Miscellaneous	-	27	27
	111,460	154,865	43,405
SPECIAL REVENUE FUNDS			
Naval Ordnance Plant	124,200	155,967	31,767
North Portneuf	135,960	96,025	(39,935)
Pocatello Regional Airport	84,000	80,182	(3,818)
Northgate	301,900	592,959	291,059
Subtotal special revenue funds	646,060	925,133	279,073
Total revenue all funds	757,520	1,079,998	322,478
EXPENDITURES			
GENERAL FUND			
Administration	27,100	24,025	3,075
Projects and grants	-	-	-
Professional services	130,000	196,303	(66,303)
Contingency	1,052,360	-	1,052,360
	1,209,460	220,328	989,132
SPECIAL REVENUE FUNDS			
Naval Ordnance	184,200	166,066	18,134
North Portneuf	1,783,960	174,460	1,609,500
Pocatello Regional Airport	94,800	67,173	27,627
Northgate	648,800	635,612	13,188
Subtotal special revenue funds	2,711,760	1,043,311	1,668,449
Total expenditures all funds	3,921,220	1,263,639	2,657,581
EXCESS REVENUES OR (EXPENDITURES)	(3,163,700)	(183,641)	2,980,059
BEGINNING NET POSITION	$ 3,163,700	3,237,325	$ 73,625
ENDING NET POSITION		$ 3,053,684	

POCATELLO DEVELOPMENT AUTHORITY
NOTES TO STATEMENT OF REVENUES AND EXPENDITURES - BUDGET TO ACTUAL

NOTE 1 - **Expenditures in excess of budget**

During the year there were expenditures in excess of budget for professional services in the general fund.

These expenditures in excess of budget were covered by decreased expenditures in budgeted contingency expenses within the general fund.

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Commissioners
Pocatello Development Authority
Pocatello, Idaho

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standardsd issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund, and the aggregate remaining fund information of Pocatello Development Authority, a component unit of the City of Pocatello, Idaho, as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise Pocatello Development Authority's basic financial statements, and have issued our report thereon dated January 10, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit, we considered Pocatello Development Authority's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Pocatello Development Authority's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Pocatello Development Authority's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Pocatello Development Authority's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* .

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Pocatello, Idaho
January 10, 2025

POCATELLO DEVELOPMENT AUTHORITY
SCHEDULE OF FINDINGS AND RESPONSES
SEPTEMBER 30, 2024

Findings

No reportable issues noted.

POCATELLO DEVELOPMENT AUTHORITY
SCHEDULE OF PRIOR YEAR FINDINGS AND RESPONSES
SEPTEMBER 30, 2023

Findings

No reportable issues noted.